

**DEPARTMENT OF FINANCIAL INSTITUTIONS**  
**MINUTES OF MEETING**  
**JULY 9, 1998**

The Members of the Department of Financial Institutions met at 9:00 a.m., EST, at 402 West Washington Street, Room W-066, Indianapolis, Indiana, on Thursday, July 9, 1998. Members present were Mark Hasten, Chairman; Norman L. Lowery, Vice Chairman; Mrs. Loretta M. Burd, Tony Zaleski, Ronald Depasse and David Baer. Also present from the Department were Charles W. Phillips, Director; J. Philip Goddard, Chief Counsel Deputy Director, Non-Depository Institutions and Secretary; James M. Cooper, Deputy Director, Depository Division; Randall L. Rowe, Bank Supervisor; Kirk J. Schreiber, Sr. Bank Analyst; Gina R. Williams, Sr. Bank Analyst; Mark Powell, Supervisor, Credit Union Division and Mark Tarpey, Supervisor, Consumer Credit Division; Chuck T. Stumpf, Deputy Director, Administration Division. and Ronda Bailey, Administrative Assistant. Also attending the meeting was Patrick Gilbreck, new examiner for the Bank and Trust Division. Board Member Gary M. Smith was absent.

**I. PUBLIC SESSION**

**A.) Attendance**

**B.) Date of next meeting: August 13, 1998 at 9:00 a.m., EST.**

**C.) A motion was made for approval of the minutes of the meeting held June 11, 1998, by Mr. Depasse and seconded by Mrs. Burd. The minutes were unanimously approved.**

**D.) Re-Organization of the Members as stipulated in IC 28-11-1-8(a) requires the Members to elect officers the first meeting after June 30 of each year. The officers were inadvertently elected at the June 11, 1998 Members Meeting. The Members therefore had to elect the officers again to comply with the statutory requirements.**

- 1. Election of Vice-Chairman – Mr Zaleski made a motion to nominate Mr. Norman Lowery as Vice Chairman, and was seconded by Mr. Baer. The motion was unanimously approved.**
- 2. Election of Secretary – Mr. Lowery made a motion to nominate J. Philip Goddard as Secretary, and was seconded by Mr. Baer. The motion was unanimously approved.**
- 3. Election of Assistant Secretary – Mr. Lowery made a motion to nominate James M. Cooper as Assistant Secretary, and was seconded by Mrs. Burd. The motion was unanimously approved.**
- 4. Any other organizational matters – There were no other organizational matters which needed to be addresses at this time.**

## **DIVISION OF BANKS AND TRUST COMPANIES**

### **1.) CNB Bancshares, Inc., Evansville, Vanderburgh County, Indiana**

Ms. Gina R. Williams, Senior Bank Analyst, presented the application. CNB Bancshares, Inc., ("CNB") applied to the Members of the Department for approval to acquire 100% of National Bancorp ("National"), Tell City, Perry County, Indiana, and thereby acquire National's wholly-owned bank subsidiary, TCB Bank, Tell City, Perry County, Indiana. The application was filed pursuant to IC 28-2-14. CNB is a multi-bank holding company with five state-chartered financial institutions and two nationally chartered institutions located in Indiana, Kentucky, Illinois, and Michigan.

CNB and National entered into an Agreement and Plan of Merger dated February 13, 1998. CNB will be the surviving corporation of the merger. The Department currently has a pending merger application of National's only bank subsidiary, TCB, with and into CNB's wholly owned bank subsidiary, Citizens Bank of Jasper, Jasper, Dubois County, Indiana.

The proposed transaction consists of an exchange of 3.45 shares of CNB's common stock for each issued and outstanding share of National's common stock and unexercised stock options. National has 315,081 shares of common stock outstanding. There are also 9,480 options to acquire shares of National's common stock.

Using a market value of \$45.00 per share for CNB's common stock as of June 26, 1998, the total value of CNB's stock to be received by National's shareholders would be approximately \$50,338,095. This represents \$155.25 per common share of National. The book value of National's common stock at March 31, 1998, is \$56.16. This represents a purchase premium of \$99.09 or 2.76x book value.

Pro forma combined financial statements as of March 30, 1998, reflect a Tier 1 leverage capital ratio of 6.82% for CNB. Pro forma total assets for the same date would be \$6,739 billion and total equity capital would be \$513 million.

CNB received a satisfactory BOPEC rating from the Federal Reserve Bank of St. Louis at their last holding company inspection as of September 30, 1997. CNB's lead bank subsidiary, The Citizens National Bank of Evansville, Evansville, Indiana, received a satisfactory CAMELS rating as a result of an OCC examination dated March 31, 1997.

National received a satisfactory BOPEC rating from the Federal Reserve Bank of St. Louis at its last bank holding company examination of February 12, 1996. National's bank subsidiary, TCB Bank, Tell City, Indiana received a satisfactory CAMELS rating from the Federal Reserve in its most recent examination dated December 31, 1996.

Both banks received Satisfactory CRA ratings at their previous examinations.

After the merger, the senior management of the bank will remain unchanged. Tom McCart will continue to serve as President and Donald Schorr will continue to serve as Senior Vice President.

No negative factors or comments were received by this Department which would adversely affect CNB, National or the communities they serve. This application was approved by Board of Governors of the Federal Reserve System on April 29, 1998.

It is the opinion of the staff that the applicant has satisfactorily met the requirements of IC 28-2-14 and therefore recommends approval of CNB Bancshares acquiring National Bancorp.

After a brief discussion, a motion for approval of the application was made by Mr. Baer and seconded by Mr. Lowery. **The application was unanimously approved.**

2.) **CITIZENS BANK OF JASPER, JASPER, DUBOIS COUNTY, INDIANA**

Ms. Gina R. Williams, Senior Bank Analyst, presented the application. Citizens Bank of Jasper, Jasper, Dubois County, Indiana, has filed an application with the Department for approval to merge with TCB Bank, Tell City, Perry County, Indiana, pursuant to IC 28-1-7. Citizens Bank of Jasper will survive the merger; however, the name will be changed to The Citizens Bank of Southern Indiana and the main office will be relocated to Tell City, Indiana.

At the time of the merger, Citizens Bank of Jasper and TCB Bank will be wholly owned subsidiaries of CNB Bancshares, Inc., Evansville, Indiana.

On a pro forma basis as of March 31, 1998, the resulting bank will have total assets of \$304 million and a Tier 1 capital ratio of 7.98%. The three year average return on assets for Citizens' is 1.58% and TCB's three year average return is 1.12%.

IC 28-1-11-5 restricts a bank's investment in land and buildings to 50% of sound capital. Citizens Bank of Jasper is currently not in compliance with the limitation prescribed in the statute. The bank is in the process of selling the building that houses a subsidiary. Once the sale is completed, the bank will be in compliance with the statute. If the sale does not go through, the bank has committed to transfer funds from UP to surplus to achieve compliance with the statutory guidelines.

As mentioned in the previous application, CNB received a "Satisfactory" BOPEC rating at its most recent inspection dated September 30, 1997. Citizens Bank of Jasper received a "Satisfactory" CAMELS rating resulting from an examination dated March 31, 1997. Citizens Bank of Jasper also received a "Satisfactory" rating with respect to CRA as the result of an examination dated December 19, 1994.

With respect to the Board of Directors and Senior Management: the directors of Citizens Bank and TCB Bank will become directors of the resulting bank.

Tom McCart, who is currently President of TCB Bank, will become President and Chief Executive Officer of the resulting bank. Joseph Miller, who is currently President of Citizens Bank, will become President of the Jasper Region. Donald Schoor, who is currently Senior Vice President of TCB Bank, will become Executive Vice President of the Tell City Region of the Resulting bank.

The Federal Deposit Insurance Corporation is expected to approve this merger in the near future.

The staff of the Department has concluded that:

- 1) The institutions are operated in a safe, sound, and prudent manner
- 2) The financial condition of either of the institutions will not jeopardize the financial stability of the other, and
- 3) The resulting institution will have adequate capital, and satisfactory management and earnings.

The applicant provided all of the information requested by the Department. Therefore, the staff recommends approval of the merger of Citizens Bank of Jasper and TCB Bank.

Mr. Baer questioned if there were any concerns on the part of the Department since the resulting bank's past due percentage was be 2% and the loan to deposit ratio was only 85%. Ms. Williams indicted that neither financial institution's previous report of examination indicated any asset quality problems and a majority of the banks' loan portfolios were comprised of real estate secured loans. Bank Supervisor Randy Rowe added that a 2% delinquency ratio was not a big concern and that many banks today were utilizing borrowings to fund the loan portfolios.

Mr. Zaleski asked about the community service in Jasper since the main office was going to be relocated to Tell City. Ms. Williams explained that the main office in Jasper would become a branch. The services provided in Jasper would not be diminished. The services in Tell City however would be increased due to the additional products and services CNB subsidiaries offer.

A motion for approval of the application was made by Mrs. Burd and seconded by Mr. Depasse. **The application was unanimously approved.**

### **DIRECTOR'S COMMENTS AND REQUESTS**

A.) **1<sup>st</sup> Source Bank, South Bend, St. Joseph County, Indiana**

On May 21, 1998, the bank notified the Department of its intent to form a special purpose subsidiary to be known as 1<sup>st</sup> Source Funding Corporation, a Delaware corporation, pursuant to IC 28-1-11-3.1. The purpose of the subsidiary is to buy loans from the bank, which are to eventually be securitized and sold into the secondary market. **This is for informational purposes only.**

B.) **Irwin Union Bank & Trust Company, Columbus, Bartholomew County, Indiana**

On June 3, 1998, the bank notified the Department of its intent to form a special purpose subsidiary to be known as Irwin Union Funding Corporation, a Delaware corporation, pursuant to IC 28-11-3.1. The purpose of the subsidiary is to buy home equity loan and lines of credit just prior to securization and sale into the secondary market. **This is for informational purposes only.**

C.) **Irwin Union Bank & Trust Company, Columbus Bartholomew County, Indiana**

On May 6, 1998, the bank notified the Department of its intent to purchase 100% of the stock of the Irwin Union Advisory Services, Inc., pursuant to IC-28-1-11-3.1. Irwin Union Advisory Services, Inc. is a provider of consumer financial counseling. **This is for informational purposes only.**

D.) **People's Trust Company, Brookville, Decatur County, Indiana**

The bank notified the Department that they closed the branch banking Office that was known as the "People's Trust Company" located at 2105 North State Road 3, Suite 1, Greensburg, Decatur County, Indiana. The branch office closed on June 30, 1998 @ 2:00 a.m. **This item is for informational purposes only.**

E.) The Director advised the Members of actions pursuant to delegated authority. Mr. Phillips asked for any questions or clarifications of the actions, which are as follows:

### **DIVISION OF BANK AND TRUST COMPANIES**

1.) **FARMERS STATE BANK, NEW ROSS, MONTGOMERY COUNTY, INDIANA**

The bank has applied for approval to open a branch banking office to be located in at **1661 US 231 South, Crawfordsville, Montgomery County, Indiana**. The application was received on May 6, 1998. The branch will be known as **Farmers State Bank**. The bank entered into a lease with an option purchase with Quad H. Enterprises on December 1, 1997.

The building was previously used as a fast food restaurant. The initial term of the lease is for six months with an option to extend the term of the lease for two years. Lease payments of \$2,000 are payable monthly during this period. There is also an option to extend the lease term for an additional three years. The lease payments during this time period are \$5,400.00.

The bank has also entered into an option agreement to purchase the real estate. The purchase price varies depending on when the bank elects to exercise the Option. Based on the application, if the bank exercises the option to purchase, it will do so approximately two years after the bank opens the branch at which time the cost will be approximately \$670M. There are \$200M projected for leasehold improvements. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMEL rating as a result a DFI examination as of September 30, 1996. The bank's three-year average ROA is 0.80%. As of March 31, 1998, the Tier I leverage capital ratio is 10.06%. Total fixed assets will increase from 22.40% before the opening of the branch to 28.27% after the branch is opened based on the bank leasing the facility. **Approval is recommended for the bank to lease the facility. It is recommended that the bank be required to obtain the Department's approval should the bank exercise its option to buy the building since the bank does not have sufficient sound capital, or UP to transfer to sound capital, at this time to prevent a violation of IC 28-1-11-5(b) from occurring. This was approved by Action Taken by the Director under Delegated Authority on June 9, 1998.**

- 2.) **FIRST FARMERS STATE BANK, SULLIVAN, SULLIVAN COUNTY, INDIANA**  
The bank has requested permission to relocate a branch office **from 210 E. Main Street, Worthington, Green County, Indiana to 9 N. Commercial Street, Worthington, Greene County, Indiana.** The application was received on May 6, 1998 and the branch will be known as First Farmers State Bank. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank is proposing to construct a 3,226 branch for a projected cost of \$225,000 on land already owned by the bank. Furniture, fixtures, and equipment costs are expected to be \$153,000. The bank received a satisfactory CAMEL rating as a result of an examination conducted by the DFI as of March 31, 1996. The FDIC is currently completing an examination of the bank and preliminary findings indicate that a satisfactory CAMELS rating will be assigned. As of March 31, 1998, Tier 1 leverage capital ratio is 10.88%. The bank's three year average ROA is 1.34%. The investment in total fixed assets to total capital will increase from 7.50% before the relocation to 9.67% following the relocation. **This was approved by Action Taken by the Director under Delegated Authority on June 9, 1998.**
- 3.) **BANK OF YORBA LINDA, YORBA LINDA. ORANGE COUNTY, CALIFORNIA**  
An application from the Bank of Yorba Linda was received by the Department to transact business in the State of Indiana in accordance with the provisions of IC 28-1-22. The Bank of Yorba Linda is incorporated as a California state chartered banking institution. The bank will not have a physical location in Indiana but intends to originate first and second mortgages by advertisement, telephone solicitation and loan brokers. The bank will draw loan documents for the borrowers to sign at a title agency or an escrow company and fund the same for disbursement in the state of Indiana. The Bank of Yorba Linda has appointed CT Corporation Systems, One North Capital Avenue, Indianapolis, Marion County, Indiana, as resident agent for service of legal process. **A Certificate of Admission was issued under Delegated Authority on June 9, 1998.**

4.) **THE FOUNTAIN TRUST COMPANY, COVINGTON, FOUNTAIN COUNTY, INDIANA**

The bank has applied to the Department pursuant to IC 28-13-3-3 for approval to buy back up to \$2,350,000.00 of its outstanding common stock. All stock purchased would be retained as authorized but unissued shares. The Board of Directors of the bank adopted a resolution to acquire the common stock on May 15, 1998. As of March 31, 1998, the bank's Tier 1 leverage capital ratio is 19.92%. On a pro forma basis after the \$2,350,000 decrease in capital, the Tier 1 leverage capital ratio would be approximately 17.66%. The bank's average three-year ROA is 1.30%. The bank received satisfactory CAMELS ratings as a result of an examination conducted by the FDIC as of September 30, 1997. **The Director approved this on June 9, 1998, under Delegated Authority.**

5.) **UNION BANK AND TRUST COMPANY OF INDIANA, GREENSBURG, DECATUR COUNTY, INDIANA**

The bank has entered into a purchase and assumption agreement dated March 26, 1998, with First of America Bank, N.A., Kalamazoo, Michigan for three bank branches. The bank will purchase approximately \$29,674M in cash, \$805M in premises and equipment, \$14,217M in loans and will assume approximately \$44,696M in deposits through its acquisition of First of America's branches in Alexandria, Anderson, and Fortville. The bank will pay a deposit premium of 9.25%, or \$4,142M, of total deposits as defined in the agreement.

The bank has applied to the Department for approval to establish three branch banking offices to be located at **1) 202 North Harrison Street, Alexandria, Madison County, Indiana; 2) 707 South Scatterfield Road, Anderson, Madison County, Indiana; and 3) 325 South Main Street, Fortville, Hancock County, Indiana.** The Alexandria and Anderson applications were received on April 20, 1998 and the Fortville application was received on May 4, 1998. No insider relationship exists between any insiders of the bank and any of the parties involved. Pursuant to the agreement, the bank will acquire land and buildings for \$684M. Furniture, fixtures, and equipment costs are projected to be \$121M. The bank received a satisfactory CAMEL rating as a result of an examination conducted by the FDIC as of June 30, 1997. The bank's three-year average ROA is 1.53%. As of December 31, 1997, the Tier 1 leverage capital ratio is 9.47%. The investment in total fixed assets to total capital will increase from 13.45% as of December 31, 1997, to 16.94% after the investment in all of the fixed assets and capital injection. This institution will have a total of eleven branches after the purchase and assumption agreements are consummated. **The Director approved this on June 12, 1998, under Delegated Authority.**

6.) **CITIZENS BANK, MOORESVILLE, MORGAN COUNTY INDIANA**

The bank has applied for approval to open a branch banking office to be located in a newly developed strip mall northeast of Mooresville at **480 Town Center Road, Mooresville, Morgan County, Indiana.** The application was received on May 6, 1998. The name of the branch will be **Town Center Branch.** The bank will lease the land from Mooresville Partners, Inc., Mooresville, Indiana, for fifteen years with annual lease payments of \$24,935 for the first

five years, \$28,675 for the second five years and \$32,976 for the last five years. The bank has an option to purchase the property at the end of the lease for fair market value. The bank has the option to renew for three extensions at five years each. The bank will initially construct a drive-up facility on the land at an estimated cost of \$222M. Furniture, fixtures, and equipment are estimated to cost \$37M. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMEL rating as a result of an examination conducted by the FDIC as of September 30, 1997. The bank's three-year average ROA is 1.34%. As of December 31, 1997, the Tier I leverage capital ratio is 9.87%. Total fixed assets will increase from 37.82% before the opening of the branch to 41.46% after the branch is opened. This will be the institutions tenth branch. **The Director approved this on June 12, 1998, under Delegated Authority.**

7.) **STATE BANK OF MARKLE, MARKLE, HUNTINGTON COUNTY INDIANA**

The bank has applied for approval to open a branch banking office to be located at **1000 North Huntington Avenue, Warren, Huntington County, Indiana**. The application was received on May 7, 1998. The name of the branch will be **State Bank of Markle**. The proposed branch is a 3,600 square foot branch banking facility. The applicant has agreed to purchase the property from United Methodist Home, Warren, Indiana for \$59M. The estimated cost for constructing the branch is \$351M. Furniture, fixtures, and equipment are estimated to cost \$90M. Before opening the proposed branch, the bank intends to open a temporary branch site in a modular facility located on the same property as the proposed site. The bank will lease the temporary site from Son Corp., Wichita, Kansas for \$1,800 per month. The bank intends to close the temporary site and move immediately into the completed permanent site when construction is finished. The projected date for completion of the proposed site is February 1999. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMEL rating as a result of an examination conducted by the DFI as of March 31, 1997. The bank's three-year average ROA is 1.35%. As of December 31, 1997, the Tier I leverage capital ratio is 13.48%. Total fixed assets will increase from 11.53% before the opening of the branch to 14.89% after the branch is opened. This will be the institutions third branch. **The Director approved this on June 12, 1998, under Delegated Authority.**

8.) **GREENFIELD BANKING COMPANY, GREENFIELD, HANCOCK COUNTY, INDIANA**

The bank has asked for an extension for the relocation of a branch office from **1105 N. State Street, Greenfield, Hancock County, Indiana** to **1920 N. State Street, Greenfield, Hancock County, Indiana**. After the relocation, the bank intends to designate the new location as the main office. The branch was approved under delegated authority on June 17, 1997. Construction of the new location is expected to be completed before spring 1999. It is recommended to grant the bank a one-year extension until June 11, 1999. **The Director approved this on June 12, 1998, under Delegated Authority.**

9.) **VEVAY DEPOSIT BANK, VEVAY, SWITZERLAND COUNTY, INDIANA**

The bank has applied to the Department for approval to pay dividends in excess of what is permitted by IC 28-13-4-3. The bank's dividend request asks approval to pay a cash dividend



of \$46,520 to its holding company, First Financial Bancorp, Hamilton, Ohio. The bank is projecting net income of \$431,389 for 1998, resulting in a ROA of 0.80%. The bank's Tier 1 leverage capital ratio as of March 31, 1998, is 6.81%. After the proposed dividend, the Tier 1 leverage capital ratio would be 6.73%. As of December 31, 1997, the bank's ROA was 0.47%; however, this is due to pushdown accounting associated with the bank's previous holding company being acquired by First Financial Bancorp in 1997. The bank's average three year ROA is approximately 0.79%. **The Director approved this on June 12, 1998, under Delegated Authority.**

**10.) UNION BANK AND TRUST COMPANY, NORTH VERNON, JENNINGS COUNTY, INDIANA**

The bank has applied to the Department for approval to pay dividends in excess of what is permitted by IC 28-13-4-3. The bank's dividend request asks approval to pay a cash dividend of \$328,245 to its holding company, First Financial Bancorp, Hamilton, Ohio. The bank's Tier 1 leverage capital ratio as of March 31, 1998, is 10.58%. After the proposed dividend, the Tier 1 leverage capital will be approximately 10.22%. As of December 31, 1997, the bank's ROA was 2.70%. The bank's three year average ROA is 2.55%. **The Director approved this on June 12, 1998, under Delegated Authority.**

**11.) INDIANA LAWRENCE BANK, NORTH MANCHESTER, WABASH COUNTY, INDIANA**

The bank has applied to the Department for approval to pay dividends in excess of what is permitted by IC 28-13-4-3. The bank's dividend request asks approval to pay a cash dividend of \$290,274 to its holding company, First Financial Bancorp, Hamilton, Ohio. The bank's Tier 1 leverage capital ratio as of March 31, 1998, is 8.70%. After the proposed dividend, the Tier 1 leverage capital ratio would be 8.51%. As of December 31, 1997, the bank's ROA was 1.50%. The bank's average three year ROA is approximately 1.33%. **The Director approved this on June 12, 1998, under Delegated Authority.**

**12.) PEOPLES BANK AND TRUST COMPANY, SUNMAN, RIPLEY COUNTY, INDIANA**

The bank has applied to the Department for approval to pay dividends in excess of what is permitted by IC 28-13-4-3. The bank's dividend request asks approval to pay a cash dividend of \$114,770 to its holding company, First Financial Bancorp, Hamilton, Ohio. The bank's Tier 1 leverage capital ratio as of March 31, 1998, is 9.57%. After the proposed dividend, the Tier 1 leverage capital ratio would be 9.35%. As of December 31, 1997, the bank's ROA was 1.59%. The bank's average three year ROA is approximately 1.42%. **The Director approved this on June 12, 1998, under Delegated Authority.**

**13.) UNION TRUST BANK, UNION CITY, RANDOLPH COUNTY, INDIANA**

The bank has applied to the Department for approval to pay dividends in excess of what is permitted by IC 28-13-4-3. The bank's dividend request asks approval to pay a cash dividend of \$74,821 to its holding company, First Financial Bancorp, Hamilton, Ohio. The bank's

Tier 1 leverage capital ratio as of March 31, 1998, is 8.54%. After the proposed dividend, the Tier 1 leverage capital ratio would be 8.36%. As of December 31, 1997, the bank's ROA was 1.11%. The bank's average three year ROA is approximately 1.27%. **APPROVAL IS RECOMMENDED (JMC)**

**14.) CITIZENS FIRST STATE BANK, HARTFORD CITY, BLACKFORD COUNTY, INDIANA**

The bank has applied to the Department for approval to pay dividends in excess of what is permitted by IC 28-13-4-3. The bank's dividend request asks approval to pay a cash dividend of \$186,815 to its holding company, First Financial Bancorp, Hamilton, Ohio. The bank's Tier 1 leverage capital ratio as of March 31, 1998, is 9.32%. After the proposed dividend, the Tier 1 leverage capital ratio would be 8.13%. As of December 31, 1997, the bank's ROA was 1.30%. The bank's average three year ROA is approximately 1.19%. **The Director approved this on June 12, 1998, under Delegated Authority.**

**15.) THE CITIZENS STATE BANK OF PETERSBURG, PETERSBURG, PIKE COUNTY, INDIANA**

The bank has applied to the Department for permission to amend Article 1 and Article 6 of its Articles of Reorganization. Approval of the Article 1 amendment will allow the bank to change its name to "**Citizens State Bank.**" The Article 6 amendment states "The Board of Directors of this Corporation shall be composed of not less than five (5), nor more than sixteen (16); the exact number to serve for each year to be determined as prescribed by the by-laws." **The Director approved this on June 24, 1998, under Delegated Authority.**

**16.) HEARTLAND COMMUNITY BANK, FRANKLIN, JOHNSON COUNTY, INDIANA**

The bank has applied to the Department for approval to establish a mobile branch for the purpose of providing a non-cash courier service for business customers in Johnson and Marion counties. The target customers to be served are small businesses not in close proximity to the bank's main office or branch. The courier service will operate from the bank's main office located at 420 N. Morton Street, Franklin, Johnson County, Indiana. The application was received on June 2, 1998. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank will purchase a vehicle to provide this service for approximately \$15M. Heartland Community Bank is a new bank that opened in December 1997. The bank has met its first year asset growth projections in the first five months of 1998. The bank received a preliminary satisfactory CAMELS rating as a result of an examination conducted by the FDIC and DFI as of March 31, 1998. Since the bank is a new institution, it is reporting a net loss of \$312M for the first three months of 1998. As of March 31, 1998, the Tier 1 leverage capital ratio is 53.45%. The investment in total fixed assets to total capital will increase from 19.98% to 20.15%. **The Director approved this on June 24, 1998, under Delegated Authority.**

**17.) CENTIER BANK, WHITING, LAKE COUNTY, INDIANA**

The bank has applied for approval to open a branch banking office to be located in a supermarket at **6110 Broadway, Merrillville, Lake County, Indiana.** The application was received on June

10, 1998. The name of the branch will be the **ULTRA Supermarket Branch**. The bank will sublease the space from Strack & Van Til Supermarket, Inc., an Indiana Corporation. The term of the sublease is for five years with three renewal options for an additional five years each. Annual rental payments of \$19,000 are due in monthly payments of \$1,583.33 during the initial five-year term. Leasehold improvements are projected to cost \$90M and furniture, fixtures, and equipment are estimated to cost \$60M. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMELS rating as a result of an examination conducted by the DFI as of June 30, 1997. The bank's three-year average ROA is 1.01%. As of December 31, 1997, the Tier I leverage capital ratio is 6.58%. Total fixed assets will increase from 17.91% before the opening of the branch to 18.19% after the branch is opened. This will be the institutions twenty-sixth branch. **The Director approved this on June 24, 1998, under Delegated Authority.**

**18.) THE FARMERS STATE BANK, FRANKFORT, CLINTON COUNTY INDIANA**

The bank has applied for approval to establish a trust office to exercise its fiduciary powers. The bank is proposing to relocate its Trust Department from its present location on the second floor of the main office building to **12 South Main Street, Frankfort, Clinton County, Indiana**. The move is necessary due to additional space needed by the bank's commercial loan department which is also located on the second floor of the main office. The only functions that will take place at the new location will be Trust department functions. The bank will lease approximately 3,200 square feet with the initial term of the lease being thirty-six months. The bank has the option to extend the lease by five, one-year periods. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMEL rating as a result of an examination conducted by the DFI which commenced on March 31, 1997. The bank's three-year average ROA is 1.27%. As of March 31, 1998, the Tier I leverage capital ratio is 10.33%. **The Director approved this on June 24, 1998, under Delegated Authority.**

**DIVISION OF CREDIT UNIONS**

**1.) CENTRA CREDIT UNION, COLUMBUS, BARTHOLOMEW COUNTY, INDIANA**

A Request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Bennett's Roofing - Columbus - 4 members  
Craig Oldsmobile, Cadillac, Toyota - Madison - 35 members  
Forster Electrical Services, Inc. - Columbus - 85 members  
Kamic Corporation - Columbus - 35 members  
Pro-Form Plastic, Inc. - Crothersville - 10 members  
Right Auto Parts - Mount Vernon - 3 members  
Schafstall Farm Builders, Inc. - Columbus - 26 members  
Stocks R Us of Columbus Indiana - Columbus - 13 members

Tom Tepe Autocenter, Inc. - Milan - 30 members

**The Director approved this on June 4, 1998, under Delegated Authority**

**2.) TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA**

A Request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Audiovox Specialized Applications, LLC - Elkhart - 118 members  
Beans, Inc./dba Higher Grounds - South Bend - 13 members  
Swagabam Hospitality, Inc./dba Red Roof Inn # 500 - Indianapolis - 11 members  
Reese Awards - Walkerton - 1 member  
Miami Farms, Inc. - Plymouth - 2 members  
Anderson Bowling Center, Inc. - Indianapolis - 3 members  
Connectivity And Technology, Inc. - Osceola - 6 members  
Advertising Visions, Inc. - Indianapolis - 7 members  
Quad Power, Inc. - South Bend - 9 members  
Kreske Outdoor Services & Lawn Crafters - Valparaiso - 2 members  
Garfield's Restaurant & Pub - Mishawaka - 51 members  
DeCoker Marketing Concepts - South Bend - 5 members  
Shaffner & Shaffner Ent., Inc./dba Ramada Inn - Warsaw - 120 members  
Oil Change Professionals - Valparaiso - 9 members

**The Director approved this on June 4, 1998, under Delegated Authority**

**3.) INDIANA TELCO CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA**

A Request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Schultz Design Indiana, Inc. - Indianapolis - 4 members  
Synergy-OMNI Resources, Inc. - Carmel - 50 members  
Sun Chemical/Indianapolis - Indianapolis - 36 members  
Ace Catering - Indianapolis - 15 members  
Advantage Medical Equipment & Supply, Inc. - Carmel - 7 members  
UAW-GM Legal Services - Indianapolis - 23 members  
Summit Finishing Co., Inc. - Indianapolis - 35 members  
Courtaulds Aerospace, Inc. - Indianapolis - 31 members  
All Star Orthopedics & Sports Medicine, P.C. - Indianapolis - 8 members  
Rotation Products Corporation - Indianapolis - 35 members

SePRO Corporation - Carmel - 26 members

Alpha Rae Temporaries and Technical Staffing, Inc. - Indianapolis - 160 members

Gus Pulos, DDS - Indianapolis - 5 members

At-Your-School Child Services, Inc. - Indianapolis - 160 members

**The Director approved this on June 4, 1998, under Delegated Authority**

**4.) UNITED CREDIT UNION, WARSAW, KOSCIUSKO COUNTY, INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Bodor Corporation/dba Explorer Van Company - Warsaw - 200 members

**The Director approved this on June 5, 1998, under Delegated Authority**

**5.) MEMBERS ADVANTAGE CREDIT UNION, MICHIGAN CITY, LAPORTE COUNTY, INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

PSW Industries, Inc. - Michigan City - 175 members

Frosty's Cajun Barbecue - Michigan City - 2 members

**The Director approved this on June 15, 1998, under Delegated Authority**

**6.) GENERAL CREDIT UNION, FORT WAYNE, ALLEN COUNTY, INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Krouse, Kern & Company, Inc – Fort Wayne – 21 members

**The Director approved this on June 15, 1998, under Delegated Authority**

**7.) MEMBERS ADVANTAGE CREDIT UNION, MICHIGAN CITY, LAPORTE COUNTY, INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following

organizations into the field of membership of the credit union:

Pine Certified Cars – Michigan City – 10 members

Polyfoam Packers Corporation Michigan City – 100 members

**The Director approved this on June 15, 1998, under Delegated Authority**

**8.) TAPER LOCK CREDIT UNION, MISHAWAKA, ST. JOSEPH COUNTY, INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Bremen Tool Reconditioning, Inc. - Bremen - 10 members

Woodies Supermarket, Inc. - Bremen - 50 members

**The Director approved this on June 15, 1998, under Delegated Authority**

**9.) TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

JPD Controls, Inc. - Mishawaka - 14 members

National FFA Organization & Foundation of Marion County – Indianapolis – 90 members

Family Services of Elkhart County – Elkhart – 45 members

U.S. Brass in Elkhart County – Elkhart – 33 members

ANCO Products, Inc. – Elkhart – 60 members

Concrete Surgeons, Inc. – Indianapolis – 12 members

Hursey's, Inc. – Cromwell – 9 members

Specialty Warehouse, Inc. – Huntington – 2 members

Specialty Realty, Inc. – Huntington – 2 members

Advertising Visions, Inc. – Indianapolis – 7 members

Independent Concrete Pipe Company – Mishawaka – 20 members

Genesis Molding, Inc. – Mishawaka – 45 members

Triplex Industries, Inc. – Mishawaka – 12 members

National Managed Assets Corporation – South Bend – 2 members

J. R. Fox Jewelers – Mishawaka – 20 members

Bob List Photography, Inc. – Warsaw – 3 members

**The Director approved this on June 22, 1998, under Delegated Authority**

**10.) JET CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

J. Rieser Agency, Inc. - Speedway - 5 members  
The College Network, Inc. – Indianapolis – 85 members  
Unity Fellowship Missionary Baptist Church – Indianapolis – 500 members  
Zion Unity Missionary Baptist Church – Indianapolis – 80 members  
Crown Laser Systems – Indianapolis – 1 member  
Saint John A.M.E. Church – Indianapolis – 591 members  
Westwood Baptist Church – Indianapolis – 50 members  
Christ Christian Fellowship Baptist Church – Indianapolis – 60 members  
Mount Sinai Christian Valley Church – Indianapolis – 25 members  
Pilgrim Chapel Missionary Baptist Church – Indianapolis – 150 members  
Eastside New Hipe Baptist Church – Indianapolis – 140 members  
Heartland Financial Group – Indianapolis – 13 members  
Carver Design Studio, Inc. – Indianapolis – 2 members  
Saahir & Sons, Inc. – Indianapolis – 3 members  
Professional Occupations Association, Inc. (name change) – Indianapolis – 3 members  
Archie and Moore Enterprises, Inc. – Speedway – 14 members  
Unique 7 Vital Signs, Inc. – Speedway – 5 members  
Mary's Seafood – Indianapolis – 4 members  
Dixon's 1-HR Photo America – Indianapolis – 3 members  
Temple of Believers Deliverance Center – Indianapolis – 450 members  
The Laser Center, Inc. – Indianapolis – 10 members

**The Director approved this on June 24, 1998, under Delegated Authority**

**11.) INDIANA TELCO CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Maumee Industries, Inc. - Indianapolis - 145 members  
Separators Company, LLC d/b/a Separators, Inc. – Indianapolis – 32 members  
United Armored Services – Indianapolis – 40 members  
Flowers and Gifts by Steve – Indianapolis – 40 members  
McCordsville United Methodist Church - McCordsville – 157 members  
Conseco Companies, Inc. – Carmel – 3,500 members  
Magwerks Corporation – Indianapolis – 8 members

Marvin Schmidt, D.D.S., Scott McDonald, D.D.S., David E. Schmidt, D.D.S. - Indianapolis  
– 10 members

Burns International Security Services – Indianapolis – 776 members

Loyal Manufacturing Corporation – Indianapolis – 20 members

**The Director approved this on July 29, 1998, under Delegated Authority**

**12.) CENTRA CREDIT UNION, COLUMBUS, BARTHOLOMEW COUNTY, INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Bo-Witt Products, Inc. - Edinburgh - 30 members

E.C.W., Inc. d/b/a Eldon's Automotive Service Center d/b/a Big A Auto Parts – Columbus  
– 20 members

Haiderer Homes, Inc. – Columbus – 6 members

Hull's Office Supply, Inc. – Columbus – 10 members

J C Penney – Madison – 35 members

J.I.T. Freight, Inc. – Madison – 12 members

Johnson Contracting – Lexington – 13 members

Koehler Tire & Supply, Inc. – Madison – 13 members

**The Director approved this on June 29, 1998, under Delegated Authority**

**13.) MEMBERS ADVANTAGE CREDIT UNION, MICHIGAN CITY, LAPORTE COUNTY, INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Continuum Corporation – Michigan City - 3 members

Blue Chip Casino, Inc. – Michigan City – 1,100 members

**The Director approved this on June 29, 1998, under Delegated Authority**

**14.) DOUBLE ELEVEN CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:



Minutes of Members' Meeting

July 9, 1998

Page 17

Invest One Financial Advisors, Inc. – Indianapolis - 6 members

Schilling Realty Co. – Indianapolis – 18 members

Dellen Lincoln-Mercury – Indianapolis – 40 members

Family Auto Group – Indianapolis – 300 members

American Speedy Printing Centers, Inc. – Indianapolis – 6 members

**The Director approved this on July 1, 1998, under Delegated Authority**

**APPROVED:**

**ATTEST:**

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**Mark Hasten, Chairman**

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**J. Philip Goddard, Secretary**